Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
Federal-State Joint Board on	)	CC Docket No. 96-45
Universal Service	)	
	)	
1998 Biennial Regulatory Review - Streamlined	)	CC Docket No. 98-171
Contributor Reporting Requirements Associated	)	
With Administration of Telecommunications Relay	)	
Service, North American Numbering Plan, Local	)	
Number Portability, and Universal Service Support	)	
Mechanisms	)	
	)	
Telecommunication Services for Individuals with	)	CC Docket No. 90-571
Hearing and Speech Disabilities, and the	)	
Americans with Disabilities Act of 1990	)	
	)	
Administration of the North American Numbering	)	CC Docket No. 92-237
Plan and North American Numbering Plan Cost	)	NSD File No. L-00-72
Recovery Contribution Factor and Fund Size	)	
	)	
Number Resource Optimization	)	CC Docket No. 99-200
	)	
Telephone Number Portability	)	CC Docket No. 95-116

REPLY COMMENTS OF SPRINT CORPORATION

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July 9, 2001

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SUMMARY

Sprint's proposal to reform the contribution and collection process for federal universal service meets the Commission's goals of being adaptable to changes in the marketplace, competitively neutral, and relatively simple to administer. Sprint is the only party that succeeded in developing one plan that balanced these three goals in a manner that considered the interests of all primary contributors to universal service, including consumers. The cornerstones of Sprint's proposal are (i) a *collect and remit* process, in which carriers bill their customers a prescribed amount and then the carriers remit to the fund exactly what they collect; (ii) a per-line contribution and collection method, and (iii) interstate allocators that are applied to the total revenues of IXCs, LECs and CMRS to determine their interstate revenues. Each of these cornerstones is designed to be competitively neutral and simple to administer.

- The collect and remit process solves many of the problems raised by the Commission in the *NPRM*, including the mismatch between carrier contribution and collection rates and the competitive disadvantages caused by the regulatory lag.
- The per-line collection method is superior to a revenue-based approach, because it is simpler to administer and competitively neutral. Contrary to positions taken by some commenters, the per-line approach is equitable and lawful.
- Sprint's proposal to apply an interstate allocator to each of the primary carrier segments greatly simplifies the onerous process of individually identifying and subsequently confirming interstate revenues, and results in a uniform per-line charge across entire market segments.

- Finally, Sprint's proposal as a whole is adaptable to changes in the marketplace, including the addition of providers such as cable television companies and internet telephony providers.

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REPLY COMMENTS OF SPRINT CORPORATION

Sprint Corporation ("Sprint"), on behalf of its local, long distance and wireless divisions, submits its Reply Comments to the comments filed on June 25, 2001, in response to the Notice of Proposed Rulemaking, released on May 8, 2001, as FCC 01-45, in the above referenced dockets ("*NPRM*").

I. Introduction.

In the *NPRM*, the Commission requested that parties propose methodologies for assessing and recovering universal service contributions that are "adaptable to changes in the marketplace, competitively neutral, and relatively simple to administer."[1] While there was certainly no unanimity regarding proposed remedies, there was a broad consensus in the comments that the current regime did not meet these goals and is not sustainable.

In these Reply Comments, Sprint will demonstrate that its proposal does meet the Commission's goals. Sprint is the only party that succeeded in developing one plan that balanced the three goals of adaptability, neutrality and simplicity, taking into account the interests of the primary contributors to universal service, including consumers - the ultimate source of all universal service support. The cornerstones of Sprint's proposal are (i) the *collect and remit* process, in which carriers bill their customers a prescribed amount and then the carriers remit to the fund exactly what they collect; (ii) a per-line approach, in which carriers pay into the fund and assess customers a uniform charge per line served (for wireline carriers) or per number served (for CMRS providers, referred to herein as "Wireless carriers"); and (iii) interstate allocators that are applied to the total revenues of IXCs, LECs and Wireless carriers to determine their interstate revenues, thus simplifying the onerous task of segregating interstate from intrastate revenues. Each of these cornerstones is designed to be competitively neutral and simple to administer. Below, Sprint will address the advantages of each cornerstone in response to the comments filed herein, and how Sprint's proposal as a whole is adaptable to changes in the marketplace. Finally, Sprint will support comments suggesting a limit to the number of characters on the bill for the line item surcharge and permitting Wireless carriers to file a consolidated report covering all of their licenses.

II. Sprint is the only commenter with a plan that balances all interests.

[1] *NPRM* at ¶16.

In reforming the contribution and collection process for the federal universal service fund to meet the goals of adaptability, competitive neutrality and simplicity, the Commission must balance the interests of the primary contributors to the fund: the public and three carrier segments: local exchange carriers ("LECs"), interexchange carriers ("IXCs") and Wireless carriers. Of the three goals set forth above, the most important is that the assessment and recovery process be simple to administer and cost-efficient. Because consumers ultimately pay universal service assessments and the costs of telecommunications services, consumers benefit the most from Sprint's proposal to greatly simplify the contribution and collection process and minimize administrative costs. In addition, as set forth in more detail *infra*, Sprint's proposal addresses concerns raised by consumer advocates.

Of the dozens of parties filing comments, Sprint is the only party that proposed a plan that balanced the interests of all three primary contributing carrier segments. Sprint's plan necessarily balanced these interests because Sprint has business interests in all three segments, and Sprint filed one plan on behalf of all of these business interests. Other carriers with multiple business interests filed multiple comments, which in some cases, conflicted among affiliates.[2]

In balancing the interests of the carrier segments, Sprint's proposal carefully steers a course that does not unduly favor or disadvantage any one group. For example, Sprint segregates the Wireless carriers from the wireline carriers in order to maintain the proportionate status quo between these two groups in universal service contributions, thus avoiding any rate shock to the Wireless carriers and their customers. Further, Sprint's

[2] For example, comments were filed by both AT&T and AT&T Wireless, by Verizon and Verizon Wireless, and by SBC, BellSouth and Cingular. AT&T proposed per-line contributions to the fund while AT&T Wireless advocated a revenue-based assessment.

proposal takes the successful safe harbor methodology used by the wireless sector and broadens it into interstate allocators to be used by each of the three carrier segments.

III. Sprint's *Collect and Remit* process is competitively neutral and easy to administer.

Many concerns raised by commenting parties are addressed by Sprint's proposed *collect and remit* methodology. Collect and remit calls for carriers to act purely as collection agents, contributing to the fund exactly the amount that they collect from end users. Carriers would pay neither more nor less into the fund than they collect, nor would carriers be obligated to pay into the fund any amount other than exactly the amount they collect. Collect and remit solves one of the major concerns raised by the Commission in the *NPRM*, the fact that percentages applied to customers' bills differ from the Commission's contribution factor. One of the primary reasons for this difference is non-recovery, requiring carriers to compensate for amounts paid in to the fund that are not collected from end users. As AT&T pointed out, "Because each carrier faces a different risk of non-recovery, good faith efforts to fashion recovery mechanisms will inevitably result in line-item fees of substantially varying amounts…The best way to remove these anomalies is to…make the fund, rather than the individual carriers, account for non-recovery."[3] Under collect and remit, the fund itself is accountable for any potential non-recovery and any adjustments that are made to compensate for non-recovery (or under-recovery) are made at the fund level, and are made across all carriers so as to ensure competitive neutrality.

Collect and remit also addresses a potential flaw in the Commission's proposed rule to require that the percentage applied to customers' bills equal the contribution factor. Such a rule would leave carriers with no recourse to address the problem of non-recovery except, as

[3] AT&T Comments at 3-5.

AT&T correctly observed, to force carriers to recover some portion of their contributions implicitly through rates.[4] By removing the issue of non-recovery from the carrier, as *collect and remit* does, carriers no longer have a reason to charge amounts that differ from the contribution factor. Nor would carriers have a reason to charge an amount that differs from, in the case of Sprint's proposal, a prescribed per-line charge.

The Commission has attempted to deal with one aspect of the non-recovery problem by proposing that assessments be based on collected revenues, rather than billed revenues. In comments, several carriers supported this approach, including SBC, which stated that using collected revenues helps carriers avoid the need to make adjustments to their recovery mechanism to avoid under-recovering.[5] Unfortunately, changing the assessment base to collected revenues only resolves one aspect of the non-recovery dilemma. Non-recovery is a function of two things: 1) Using billed revenues, rather than collected revenues, as a base, ***and*** 2) the regulatory lag that has some carriers' obligations assessed on larger revenues than they currently receive. Sprint's proposed collect and remit methodology addresses both these issues.

Under Sprint's plan, carriers collect a per-line fee (or a per-number fee, in the case of Wireless carriers) and remit exactly this amount to the fund. The fee does not vary across carriers within an industry. For example, all wireless providers collect and remit the same per line fee from each number, so the fee is competitively neutral. But beyond competitive neutrality, the "equal fee per line" approach eliminates the timing problem caused by any type of lag. To see why this is so, it is important to understand that each carrier collects and remits from each line (number) it currently serves. For wireline carriers as an industry, the overall growth of switched lines has historically been positive. For wireless carriers, the

[4] *Id.* at 7-8.

overall growth of numbers is clearly positive. Hence, at this time under-recovery is extremely unlikely because the total number of lines/numbers from which the fund is recovered is only increasing. For example, assume the total recovery of the fund is initially allocated over "X" million lines on a per line basis. Two months later lines have grown by amount "ε," and so the per-line charge is being recovered from "X + ε" million lines. Because "ε" is positive, or at worst, zero, the fund can only break even or develop a surplus. Any surplus can then be used to adjust (reduce) future per-line charges, in an equitable manner across all carriers.[6]

Furthermore, because each line (or number) provides the same contribution to the fund, gains or losses experienced by individual carriers have no effect on the contributions flowing into the fund because they are offset by the changes to other carriers. If, over the course of this two-month example, ILEC A has lost 1,000 lines to CLEC B, then ILEC A is paying less into the fund on the second month, and CLEC B is paying more. But there would be no shortfall, nor would ILEC A need to contribute based on lines (customers) it no longer serves.

Therefore, collect and remit simultaneously addresses the issues of non-recovery and regulatory lag. It eliminates the *incentive* and the *need* for any carrier to shape or manipulate end user charges in any way. Collect and remit, combined with an equivalent per-line (or per-number) charge across all industry providers, reduces uncertainty with regard to funding levels. It is administratively simple and ensures competitive neutrality.

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[5] SBC Comments at 7-9.

[6] Although it is possible that some LECs might actually experience negative access line growth, the fact is that switched lines continue to grow in total, while growth in the number of wireless customers is obviously robust. Also, if for some reason USAC opposed maintaining a surplus for the fund, a growth factor could easily be incorporated into the line counts to minimize any disparity.

IV. Sprint's per-line contribution method is superior to a revenue-based approach in achieving administrative simplicity and competitive neutrality.

The crucial fork in the road for most comments was whether to base universal service assessments on revenues or lines. Sprint's per-line proposal is the easier road on which to travel, avoiding the contentious arguments raging over revenue-based assessments. The revenue-based commenters are tangled in disputes over whether to use billed revenues versus collected revenues, and whether revenues should be historical, current or projected.[7] The main issue in the "billed versus collected" dispute is who bears the cost of uncollectible revenues. The main issue in the "historic, current or projected" dispute is how to deal with the regulatory lag between calculation of the contribution factor and collection from end users. Sprint's per-line plan steers clear of these disputes. As stated above, under Sprint's plan it no longer matters whether revenues are collected or billed, because carriers assess the same amount per line and remit exactly what they collect. Further, Sprint's plan can use conveniently available historical data, because USAC will simply make any necessary ongoing adjustments to the per-line assessment.

In comparison to the revenue-based disputes, the only issues raised by the per-line method are (i) how to count high capacity circuits that contain multiple voice channels, and (ii) how to count IXC lines, which are the same lines as the LEC's. The first issue can be resolved by a proxy for the multi-line customer, similar to that used with local number portability.[8] The second issue can be resolved by permitting the LEC, who has the physical

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[7] As discussed *infra* in Sections VIII and IX, Sprint's proposal also eliminates disputes regarding allocation of revenues derived from bundled service offerings.

[8] *See* 47 CFR §52.33. For example, one PBX trunk receives nine monthly LNP charges, while a PRI ISDN line receives five monthly LNP charges. However, Sprint notes that any such proxy mechanism must not conflict with the efficiencies gained by using the LEC as the sole wireline collection channel.

connection to the end user, to collect the entire wireline portion on behalf of itself and the IXC.[9]

The revenue-based commenters attack the line-based advocates by vaguely asking how to define a "line."[10] The Ad Hoc Telecommunications Users Committee deftly anticipated this issue by counting each line assessed a subscriber line charge ("SLC") for wireline users, and each number associated with a handset for wireless users.[11] Lines that are assessed SLCs and numbers associated with activated wireless handsets are familiar, standard measures in the industry.[12]

V. The Per-Line collection method is equitable.

The per-line charge is an equitable method for carriers to recover the cost of universal service from end users. Those opposed to a per-line approach maintain that such an approach is "regressive," because it applies an equal assessment to each end user line regardless of the end user's network usage.[13] This argument is a red herring. First, a per-line charge is not regressive, but equitable. Universal service benefits each connection to the network; thus, a party who has more connections (i.e., lines) pays more universal service charges. Second, as discussed in Sprint's comments, revenues may not necessarily correlate to usage. A party may experience relatively more network usage but, based on a particular calling plan, may produce less interstate revenue subject to funding assessments.[14] Finally, Sprint calculates that the per-line assessment for wirelines will initially be less than one dollar per month, a relatively small amount that cannot seriously be considered cause for concern.

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[9] This proposal is supported by WorldCom, as discussed in more detail *infra*.
[10] SBC Comments at 15-16; BellSouth Comments at 3.
[11] Ad Hoc Comments at 27.
[12] For example, regulatory assessment fees for certain wireless carriers are based on the number of wireless handsets.
[13] USTA Comments at 4-5; American Public Communications Council Comments at 3-4.
[14] Sprint Comments at 6-7.

Further, Sprint's equitable proposal answers the concerns of consumer advocates regarding customer surcharges. Consumer advocates oppose any customer surcharge as misleading and deceptive.[15] These consumer advocates believe that carriers should absorb universal service costs as a cost of doing business. First, it is misleading to hide these costs in various service rates. Economic theory dictates that in this case such costs will be recovered from those customers and in those services least susceptible to competition. Second, universal service costs differ from other costs of doing business because universal service costs cannot be competed away through greater efficiency. No matter how efficient a carrier may be, its universal service obligation will not change.

Under Sprint's plan, no carrier would either over or underrecover. All customer groups would be treated the same.[16] The flat per-line charge is very clear and easy to understand.[17] As opposed to hiding the charge within the price for a service, the per-line charge tells customers exactly what they are paying for federal universal service. Plus, Sprint's proposal for uniform assessments across an entire industry segment competitively neutralizes the universal service charge, allowing customers to judge carrier offerings completely on the quality of the telecommunications service being provided, not on a carrier's regulatory strategy.

VI. The Per-Line charge complies with court decisions requiring support to be explicit and derived from interstate revenues.

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[15] Nat'l Assn. Of State Utility Consumer Advocates ("NASUCA") Comments at 7-8; Texas Office of Public Utility Counsel ("Texas OPC") Comments at 2-4.

[16] Large business users would pay their fair share of the costs of universal service based on the proxies developed for the services they use, as discussed above.

[17] Flat charges are, in fact, the preferred pricing practice in the market today—witness the internet industry which initially charged by the minute but ultimately rejected that idea, providing unlimited usage for a flat fee. See also Wireless carriers, which use flat fee "buckets," and the long distance industry, which continues to move toward flat fee

The per-line charge assessed to end users fulfills the mandate of the Fifth Circuit Court of Appeals that universal service support be explicit.[18] The Fifth Circuit has now twice prohibited carriers from recovering the cost of universal service through access charges.[19] Therefore, NECA's suggestion to again allow LECs to try to obtain cost recovery through access charges is, at best, misplaced.[20] Likewise, the interests of full disclosure require that consumers know what they are being charged for universal service. Rather than bury this charge within the cost of service, as suggested by consumer advocates, or launder it through access charges, as suggested by NECA, the better practice is to explicitly disclose universal service support as a line item surcharge on customer bills.

Sprint's proposal to assess per-line charges does not improperly impose a charge on intrastate services. Some commenters argue that a per-line charge, especially on LEC bills, improperly recovers payment from intrastate revenues.[21] These commenters support their position by citing the *TOPUC* decision, wherein the Fifth Circuit ruled that the Commission could not assess federal universal service contributions on carriers' combined interstate and intrastate revenues.[22] The *TOPUC* Court was concerned that the Commission would use a carrier's total revenues, including intrastate revenues, in order to establish that carrier's share of federal universal service funding. The Court saw this as an improper encroachment on intrastate matters. Sprint's proposal avoids a charge on intrastate revenues by first applying an interstate allocator to an entire carrier segment's end user telecommunication revenues to

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"buckets." Also, with respect to local rates, measured usage is the very rare exception and even when offered has experienced a low take rate.

[18] *Texas Office of Public Utility Counsel v. FCC*, 183 F.3d 393, 425 (5th Cir. 1999) ("*TOPUC*").

[19] *See TOPUC* and *Comsat Corp. v. FCC*, Case No. 00-60044 (5th Cir. decided May 3, 2001).

[20] NECA Comments at 9-12.

[21] Verizon Comments at 2-5; USTA Comments at 4-5. It is worth noting that Verizon, a USTA member, currently recovers its USF contribution on a per line basis, without regard to a customer's mix of interstate and intrastate revenues.

[22] *TOPUC*, 183 F.3d at 446-448.

determine that segment's interstate revenues. Thus, only interstate revenues are considered in determining each carrier's share of the interstate fund, in full compliance with the *TOPUC* decision.

Critics may complain that a per-line charge unduly burdens a customer who had no interstate calling and generated no interstate revenue. Spint's reply is that this per line assessment is no different than the federally mandated SLC, which is designed to recover the interstate portion of the loop. Moreover, this complaint ignores the instances where customers have “interstate” usage, but generate no “interstate” bill, such as when the customer places a toll free call or receives a call originated in another state.

VII. Requiring the LECs to make fund payments on behalf of all wireline carriers is the most administratively simple and efficient manner of processing these payments, and is competitively neutral.

Sprint agrees with WorldCom that the carrier who is physically connected to the wireline customer can most efficiently collect and contribute universal service funding. Of necessity, this will be the LEC.[23] This is the correct result, even though the LECs will end up processing the entire wireline share of universal service. Because universal service contributions are recovered from consumers, it is paramount that the fund be administered as efficiently as possible while maintaining competitive neutrality.

Some parties may question whether collection and payment by the LEC complies with sections 254(b)(4) and 254(d) of the Communications Act of 1934, as amended (the "Act"), which require carriers to contribute to the preservation and advancement of universal service in an equitable and nondiscriminatory manner.[24] This concern is unfounded. Under Sprint's proposal, when a wireline customer pays the universal service

[23] WorldCom Comments at 22-25.

charge, and such payment is forwarded to USAC by the collecting wireline carrier (LEC) under the collect and remit process discussed *supra*, the LEC and IXC that jointly provide the customer's wireline service have effectively made an equitable contribution to the fund. The LEC contribution of this universal service charge to the fund is also nondiscriminatory, because it does not disadvantage the collecting party competitively. If LECs serve as the collecting parties there would be no benefit to a customer from switching LECs since the assessment would remain regardless of what LEC served the end-user.[25] This is effectively competitive neutrality. Finally, the customer has paid the correct per-line amount, and has benefited by only having to pay it once, instead of once to the customer's LEC and once to an IXC.

VIII. The interstate allocator process is simple to administer and competitively neutral.

As discussed in Sprint's Comments, the most onerous aspect of universal service administration is the effort needed to segregate interstate and intrastate revenues.[26] Sprint's proposal to use interstate allocators to calculate interstate revenues greatly simplifies this administrative burden. In addition, since the allocators apply equally across an entire market segment, this proposal is competitively neutral.

A. The interstate allocator for Wireless carriers should not change.

Wireless carriers are currently allowed to determine their interstate revenues by applying an interstate allocator (*i.e.*, a safe harbor percentage) to their total telecommunications revenues.[27] The Commission approved this allocator because of the

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[24] 47 U.S.C. §254(b)(4) and (d).
[25] See Sprint Comments at 8; WorldCom Comments at 19-20.
[26] Sprint Comments at 4.
[27] *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Memorandum Opinion and Order and Further Notice of Proposed Rulemaking, 13 FCC Rcd 21252 (1998) ("*Wireless*

great difficulty Wireless carriers experience in isolating interstate from intrastate revenues. The comments in this docket indicate widespread support for the continued use of the wireless allocator because it is still infeasible for Wireless carriers to segregate interstate revenues.[28]

In the absence of any evidence to the contrary, the wireless interstate allocator should remain at the 15% level set in the *Wireless Safe Harbor Order*. Although some commenters would like to increase the allocator, none provided any evidence that wireless interstate revenues are greater than 15% of total wireless telecommunication revenues.[29] Numerous Wireless carriers voiced support for maintaining the current allocator.[30] Moreover, current wireless pricing plans provide no evidence to support a figure that varies from the current 15%. For example, many wireless plans include a bundle of minutes (*e.g.*, 200 peak minutes plus 1000 off-peak minutes, for $34.99 per month) that include local and long distance calling. It is virtually impossible to determine what percentage of that bundle should be allocated to interstate calls, much less interstate revenues. Further, while there is no doubt that wireless calling volumes have expanded over the past three years, it cannot be determined that interstate volume as a percentage of total volume has changed. Finally, even assuming *arguendo* that interstate volume has increased as a percentage of total call volume, since the price of long distance calling has clearly decreased since the 1998 *Wireless Safe Harbor Order* was issued, it is far from certain that wireless interstate revenues have increased as a percentage of total telecommunications revenues.[31] In summary, there is no evidence

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Safe Harbor Order"). The allocator is currently 15% for cellular and PCS providers, 12% for paging providers, and 1% for certain SMR providers.

[28] Cingular Comments at 5; AT&T Wireless Comments at 7-8; Nextel Comments at 10; Verizon Wireless at 4; Sprint Comments at 5.

[29] SBC Comments at 13; WorldCom Comments at 12.

[30] Verizon Wireless at 5-8; Cingular at 5-6.

[31] See AT&T Wireless Comments at 9.

that the wireless allocator of 15% should be changed. Without any evidence, the Commission has no rational basis to change the allocator.

B. Since the broadened use of interstate allocators is an original concept in this docket, it was not addressed in the comments.

Because Sprint's proposal to apply the allocator mechanism to wireline carriers is an original concept, there are no specific comments on this proposal to which we can respond. However, many commenting parties provided arguments that support the *need* for an allocator. Specifically, Ad Hoc points out the difficulty in determining jurisdictional distinctions between both traffic and services.[32] Thus, an interstate allocator is useful for wireline carriers, in addition to Wireless carriers.

IX. Sprint's proposal is adaptable to changes in the marketplace.

The concepts advanced by Sprint are flexible enough to adapt as the telecommunications market changes. For example, if the Commission requires cable television providers who offer telecommunications services ("CTPs") to contribute to the fund, these providers could easily be incorporated as a separate carrier segment. The Commission would develop an interstate aggregator for the CTPs, and the CTPs would report to USAC their line count and total telecommunications revenues. USAC would assign a per-line charge to the CTPs who would assess it to their telecommunications customers and remit their collections to the fund. In effect, the CTPs would fit neatly into the process.

Internet telephony providers ("ITPs") are another group that the Commission may someday include as contributors to the fund. Again, Sprint's proposed process can adapt to include ITPs. Like the CTPs, ITPs would be assigned an interstate allocator, or proxy, to

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[32] Ad Hoc Comments at 20-24.

determine their interstate revenues. Assuming that ITPs use the same connection as other wireline providers, ITP interstate revenues would be added to the wireline industry obligation for recovery through the wireline per-line assessment. If consumers were effectively substituting IP telephony for traditional interstate long distance calling, the wireline portion of the fund, and correspondingly assessments on consumers, would see little or no change.

Some commenters advocated that the Commission require CTPs and/or ITPs to contribute to the fund.[33] Sprint agrees that this issue should be addressed at some point. However, for purposes of this docket, the Commission's immediate goal should be to fix the fundamental problems that are currently hampering the system. Once the Commission has simplified administration of the fund in a competitively neutral manner, it should then address non-traditional issues and parties.

X. Miscellaneous issues.

A. Sprint supports comments suggesting that the language used to describe the line item surcharge be shortened and abbreviated.

Due to constraints in billing, Sprint is only able to provide 25 characters per line on its bills. Therefore, Sprint agrees with WorldCom that the line item description should be shortened, and that carriers should be permitted to abbreviate as necessary without clouding the meaning of the fee.[34] For example, the term "Fed'l Universal Svce Fee" should be acceptable.

B. Sprint supports comments permitting Wireless carriers to file a consolidated report covering their respective licenses.

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[33] SBC Comments at 12; USTA Comments at 7-8.
[34] See WorldCom Comments at 31.

Finally, Sprint agrees with Verizon Wireless that national Wireless carriers with multiple licenses should be permitted to file one consolidated universal service revenue report on behalf of itself and the licensees.[35] This would lighten administrative tasks for both the carriers and USAC.

XI. Conclusion.

As stated in Sprint's Comments, the plan proposed by Sprint solves the major problems currently afflicting the federal universal service fund. Sprint's approach brings a balanced solution to these problems. Sprint's proposal is adaptable to changes in the marketplace, competitively neutral and simple to administer, as required by the Commission. No comments filed in this docket raise any serious flaws that impact Sprint's proposal. The Commission should approve Sprint's proposal to reform the federal universal service collection and contribution process.

Respectfully submitted,

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[35] Verizon Wireless Comments at 17-18.

CERTIFICATE OF SERVICE

I, Joyce Walker, hereby certify that on the 9th day of July 2001, I forwarded to the parties listed below a copy of the forgoing Reply Comments of Sprint Corporation.

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